

FINAL BILL REPORT

SHB 1592

C 437 L 09
Synopsis as Enacted

Brief Description: Registering business entities and associations with the secretary of state.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Pedersen, Rodne, Kelley and Kenney; by request of Secretary of State).

House Committee on Judiciary
Senate Committee on Judiciary

Background:

Limited Liability Companies.

A Limited Liability Company (LLC) is a type of business entity that provide owners with limited personal liability for the LLC's debts and actions. One or more individuals or entities form LLCs through a certificate of formation filed with the Office of the Secretary of State (OSOS). The certificate of formation details the organization of the LLC, including provisions for management, assignments of interests, and distribution of profits or losses.

Limited Liability Partnerships.

A Limited Liability Partnership (LLP) is a type of business entity that is similar to a general partnership. Normally, unlike a general partnership, a partner does not have personal liability for the negligence of another partner. A foreign LLP is a partnership that is formed under laws other than the laws of Washington and has the status of an LLP under those laws. All LLPs are required to register with the OSOS.

Corporations Sole.

A corporation sole is a legal entity through which religious organizations can hold property and conduct business for the benefit of that organization. Corporations sole enable religious leaders to be incorporated for the purpose of ensuring the continuation of ownership of property dedicated to the benefit of a legitimate religious organization. Generally, creditors of a corporation sole may not look to the assets of the individual holding the office, nor may the creditors of the individual look to the assets held by the corporation sole.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary:

Limited Liability Companies.

The Limited Liability Companies Act is amended to change the requirements for the reinstatement of administratively or voluntarily dissolved LLCs. If the LLC was dissolved administratively, an LLC may apply to the Office of the Secretary of State (OSOS) for reinstatement within five years after the effective date of dissolution. If the LLC was dissolved voluntarily, the LLC may apply for reinstatement within 120 days after the effective date of dissolution.

Limited Liability Partnerships.

Provisions are added to establish requirements for designating a registered agent and making changes to an LLP's registered office or agent. A registered agent must be an individual who is a Washington resident or a person authorized to do business in Washington. Registered agents are authorized to accept service of process on behalf of an LLP. If a registered agent wants to resign, the agent must notify the OSOS. When an LLP's registered agent cannot be found after reasonable diligence, the OSOS is authorized to accept service on behalf of the LLP. These requirements also apply to foreign LLPs.

Corporations Sole.

Existing corporations sole registered with the OSOS are required to file an annual report with a \$10 filing fee. The OSOS is required to notify each corporation sole of the requirement to renew annually.

A corporation sole that fails to file an annual report may be administratively dissolved or have its certificate of authority revoked by the OSOS. When exigent or mitigating circumstances are presented, the OSOS must reinstate an administratively dissolved corporation sole if the corporation sole files a statement to request relief within five years of the missed filing or lapse. The statement must set forth: the nature of the missed filing or lapse; the circumstances of the missed filing or lapse; that disproportionate harm would occur if relief was not granted; and the relief sought.

The OSOS is required to keep all requests for reinstatement and the disposition of the requests. The OSOS will report to the Legislature annually the number of relief requests received in the preceding year and a summary of the disposition of the requests.

Effective August 1, 2009, a corporation sole may not be formed.

Votes on Final Passage:

House	94	0	
Senate	43	3	(Senate amended)
House			(House refuses to concur)
Senate	43	3	(Senate amended)

House 93 0 (House concurred)

Effective: July 26, 2009